

ConCourt rules on new owners' historical debt

Matthew le Cordeur 29 Aug 2017 12:18



The Constitutional Court has ruled on the case of historical debt inherited by new owners. (Ra'eesa Pather)

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The Constitutional Court on Tuesday ruled that new home owners are not liable for historical debt taken over from previous owners.

Municipalities such as Tshwane, eThekweni and Ekurhuleni — as well as the cooperative and governance minister — argued against a landmark high court judgment in 2016, which made a similar ruling.

The high court application saw property owners take on Tshwane and Ekurhuleni for cutting municipal services to new home owners who had inherited historical debt.

“The applicants complained that they faced darkness, having no electricity and many other inhumane conditions because they bought property whose previous owners failed to meet their obligations to the municipality,” the court explained in a media briefing.

The municipalities had argued that it was lawful for them to attach and sell a newly purchased property to extract money for debt owed to them.

In a unanimous judgment, the court ruled that the provision in Section 118 (3) of the Local Government: Municipal Systems Act, 2000 is well capable of being interpreted so that the charge does not survive transfer, the court explained.

<https://mg.co.za/article/2017-08-29-concourt-rules-on-new-owners-historical-debt>